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Canadians are making decisions and choices today that will profoundly impact the world we leave to our children and grandchildren. Climate action pays immediate dividends in good jobs and cleaner air and water, but it also opens up more opportunities for the generations that will follow. Every sector of the economy has a part to play in cutting pollution, particularly the oil and gas sector—one of a few where greenhouse gas pollution levels continue to increase.

The Honourable Steven Guilbeault, Minister of Environment and Climate Change, and the Honourable Jonathan Wilkinson, Minister of Energy and Natural Resources, have introduced Canada's draft framework to cap pollution from the oil and gas sector to reduce emissions and remain competitive in a shifting global market. No sector of the economy should be allowed to emit unlimited pollution—not when we are all driving toward the same goal of net zero by 2050 to ward off the worst impacts of the climate crisis. The proposed emissions cap sets a limit on pollution, not production.

The proposed Regulatory Framework for an Oil and Gas Sector Greenhouse Gas Emissions Cap was developed following extensive engagement with industry, Indigenous groups, provinces and territories, and stakeholders. It proposes to cap 2030 emissions at 35 to 38 percent below 2019 levels while providing compliance flexibilities to emit up to a level about 20 to 23 percent below 2019 levels. The greenhouse gas pollution cap puts a limit on the amount that the sector can pollute and will be key to making sure we reduce our emissions as a country, on the road to reaching net zero by 2050.

The greenhouse gas pollution cap will spur reductions over time at a pace and scale needed to ensure the sector achieves net-zero emissions by 2050, which aligns with provincial and industry commitments. This framework comes at a critical time for Canada, with many Canadians having seen firsthand the impacts of the climate crisis—from floods, heatwaves, and wildfires to economic loss and health impacts.

The greenhouse gas pollution cap has been designed to ensure greenhouse gas emissions from the sector decline while providing compliance flexibilities to respond to global demand for oil and gas. Facilities will be able to buy a limited amount of carbon offset credits or contribute to a decarbonization fund, which would hold them accountable for a limited volume of emissions

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214-6820 188th St., Surrey B.C., V4N 3G6 Tel. 604-575-6595 above the greenhouse gas pollution cap. These compliance flexibility options will both help reduce emissions—offsets will result in reductions in other sectors, and proceeds from the decarbonization fund will be reinvested to support emissions reductions within the oil and gas sector.

The proposed emissions cap is part of a suite of measures designed to help Canada's important oil and gas sector remain competitive in a global economy that is rapidly moving to net zero, supporting the talented and skilled energy workers of the sector. Alongside the introduction of the draft Regulatory Framework, Minister Wilkinson has released a Roadmap for the Decarbonization of Canada's Oil and Gas Sector that sets out the many measures being taken by the Government of Canada, provinces and territories, and the investment community to build a strong, sustainable energy resource sector that can thrive in the 21st century.

The Government of Canada will continue engaging with industry, Indigenous groups, provinces, territories, and all other stakeholders to get this system right. Written comments in response to the Framework should be submitted by February 5, 2024.

At a time when oil and gas companies are reaching record profits, this emissions cap and the suite of complementary measures will stimulate the kinds of investment needed to create and maintain good-paying jobs. The oil and gas sector has time and again proven its ability to innovate, and today marks another step forward in our shared work to keep our air clean and build a strong, thriving economy that works for everyone.

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